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RICHMOND, VIRGINIA

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H. WAKEHAM

To: Dr. Wakeham

Date: March 14, 1974

From: W. B. Cridlin, Jr.

Subject: Patent Responsibilities

On March 12, 1974, I met with Mr. Holtzman and Mr. Flanagan of the Philip Morris Legal Department. Our discussion concerned the manner in which we handle patent matters. There has been an increasing concern over the cost of patent matters which we have been handling through the law firm of Watson Leavenworth Kelton & Taggart. One of the major expenses in this area is the expense of patent prosecution which includes prosecuting cases in the United States and foreign countries. Mr. Flanagan, with a thought on curbing our costs, suggested that we should look a little closer at what patent applications we file with the idea of holding cost down by limiting our filing of patent cases. I explained that we tried to file only on those subjects which would be of interest to the company; however, with the increased size of our laboratory and the diversity of our research, it is more than likely that we will continue to file the same number of patent applications per year or even increase this number. The discussion then turned to the matter of how to reduce expenditures in the handling of our patent applications.

I had previously discussed with Mr. Holtzman the possibility of my filing a few of the chemically-related patent applications instead of going through the law firm. Mr. Flanagan agreed that this may be a good solution to the problem and he said that I could review the cases as they come through my hands and file those that I thought would be of a nature that could be easily handled by myself. In this regard, he did not think it was necessary to attempt to file all of the cases and thereby eliminate the need for using the firm. The cases that are essentially of a mechanical nature would still be filed through the law firm since they have access to a draftman and would be better able to handle those items. We would also continue to use the firm to handle all of our foreign filing. This would include those cases which may be filed from Richmond and then filed overseas. In essence, the discussion ended with the understanding that I would file those cases that I felt could be easily handled in

Dr. Wakeham
Page Two
March 14, 1974

Richmond and all other cases would continue to be handled by the law firm. In this manner, there would be a savings in prosecution costs and we could review the whole subject at a later date to see how the system was working.

I discussed with Mr. Holtzman the status of my office. He was aware that I had been handling various legal affairs for the R & D department and with the increase of legal responsibilities for filing certain patent applications he could see no reason why I should not be called patent counsel for the Research and Development department. I told him that this was acceptable to Dr. Wakeham. Mr. Holtzman was of the opinion that any change in the status should be initiated by Dr. Wakeham. I told him that before any decision was made I would have Dr. Wakeham talk over the subject with him and make sure that everything was in order for such a course of action.

We discussed the budget question and it was generally decided that any expenses for my handling of the patent applications would be picked up by R & D. I explained that the expenses for filing any patent applications that I would prepare would not be too great and Dr. Wakeham thought they could be absorbed in the R & D Budget. This appealed to Mr. Flanagan and the subject was left at that point.

I will begin to prepare patent applications in the near future and will set up some type of system for payment of fees, etc. that may be due when we file our patent applications and amendments.

WBC:blp

cc: Dr. Eichorn

William B. Gouldin, Jr.

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